GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:2862
ANSWERED ON:02.12.2016
Investigation against Waiver Off Loans
Chavan Shri Harishchandra Deoram;Yadav Shri Laxmi Narayan

Will the Minister of FINANCE be pleased to state:

a) whether the Government has conducted any review/ investigation into the waiver off loans by the Reserve Bank of India (RBI)/bank-board;
b) if so, the details and outcome of the review/investigation;
c) whether banks have the right to protest against the decisions taken by their boards/RBI board regarding write off loans; and
d) if so, the details thereof and the reaction of the Government in this regard?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE

(a) to (d): Reserve Bank of India (RBI) undertakes Annual Financial Inspection (AFI) of the Scheduled Commercial Banks (SCBs) in which the functioning of the banks including decisions relating to write-offs of loans are reviewed. The AFI is a confidential exercise by RBI to assess the performance of the banks. Banks have a right to represent to RBI on AFI related issues.
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